



Paycheck Protection Program Updates

Congress has passed the Paycheck Protection Flexibility Act, which updates the terms of loans financed through the Paycheck Protection Program (PPP). Below is a summary of the relevant changes to small business owners and PPP participants. Contact your lender to see how the changes to the PPP affect your loan.

Timeline to use Paycheck Protection Program forgivable loans extended from 8 weeks to 24 weeks

- The Small Business Administration (SBA) will now forgive loans up to 24 weeks after issuance. Borrowers who have already received PPP loans may opt to use the eight-week loan forgiveness period.

Payroll requirement for forgiveness reduced from 75% to 60%

- Borrowers using 60% or more of their PPP loans for payroll expenditures will now receive full loan forgiveness from the SBA.

Increases loan repayment period from two to five years

- PPP loans issued after June 5 now have a maturity of five years.

Payroll taxes now fully deferrable along with PPP loan forgiveness

- The Paycheck Protection Flexibility Act allows businesses to delay payment of their payroll taxes and benefit from the CARES Act deferrals. Seeking loan forgiveness will not impact payroll tax deferral.

June 30 rehiring deadline extended if business is unable to rehire its employees

- The bill permits loan forgiveness even if employers are unable to rehire enough workers to reach pre-pandemic levels of business activity.